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[C. UNVIE 089](#)
[D. UNVIE 076](#)

Classified By: CDA Geoffrey R. Pyatt, reasons 1.4 (b) and (d)

[1](#)1. (C) Summary: The IAEA transition that will come as DG ElBaradei's term ends November 30 provides a once-a-decade opportunity to overcome bureaucratic inertia, modernize Agency operations, and position the new director general for strong leadership from the DG's office. Yukiya Amano's arrival as DG will undoubtedly see some turnover at the Deputy DG level, but we see a mixed picture as to the depth and breadth of change in senior management changes further down. Despite whatever intentions Amano may harbor upon taking office, a renewal in some key positions will take time, as several senior IAEA officials recently received promotions or extensions of their contracts, or both. This "burrowing in" will ensure continuity of some experienced leaders but may also confront the next DG with fixed networks of collaboration that resist supervision. Identifying a desirable DDG for Nuclear Safety and Security should be a top U.S. priority. End Summary.

DG Succession a Reform Opportunity

[1](#)2. (C) The entry into office of Ambassador Yukiya Amano as IAEA Director General (to a four-year term to begin December 1, 2009) should trigger a reordering of senior management posts throughout the Agency over the months that follow. IAEA departments are headed by the six Deputy Directors General, all of whom are under contract into 2010. We understand from the Japanese Mission that Amano would want most senior personnel to remain in place for some time, to brief him in and provide a smooth transition. However, some turnover of the current DDGs in the first year of Amano's term is to be expected and encouraged. A combination of (not always ironclad) IAEA-mandated retirement for positions below the D level at age 62 (60 for those hired before 1990), national and gender balance, and other factors complicate what should otherwise be the appointment of the most qualified people, committed to modernizing the Agency for anticipated challenges and for adopting new modes of networking, financing, and building excellence in fields where the Agency should be the lead. The current roster of DDGs, profiled below, requires our consideration in this light.

[1](#)3. (C) Safeguards (SG), Olli Heinonen, Finland - By

tradition this department is not be held by an NPT nuclear weapons state. Heinonen's current contract runs through summer 2010 and he has told Msnoff in the past he expected to retire at that time, based largely on personal considerations (but see next para). After the DG's slot, the DDG/Safeguards position is the most important at the IAEA to achieving high-priority U.S. national security objectives related to Iran, DPRK, Syria, and the generally rigorous application of IAEA safeguards globally. DDG Heinonen has played a particularly important role under ElBaradei by working to keep key safeguards investigations on an appropriate technical path. The DDG/Safeguards position will remain essential under Amano's leadership, however, as we expect the new DG to apply less of a political filter to the conduct of safeguards investigations. Thus, the decisions of the DG/Safeguards on Iran, Syria, and other sensitive cases may be the de facto final word for the Agency's safeguards approach in the states about which the U.S. cares the most.

¶4. (C) Mission assumes the USG would welcome extending beyond 2010 the close and constructive relationship we have had with Heinonen, and we have queried Heinonen as to his availability. He said early this past spring he did not discount the possibility he could stay until 2012, but not longer. He plans to review his situation over the summer "once the dust has settled" from the DG election and it is more apparent what other personnel changes will take place in the DG's office and other senior ranks of the Agency. In light of Heinonen's ongoing personal decision process, Mission recommends we confine within the USG any early thinking about possible replacements. Mission will continue to touch base with Heinonen on his thinking as it evolves.

¶5. (C) Management (MT) - Incumbent David Waller, U.S., in the job since early 1993, recently reaffirmed to Charge he wishes to remain under a new contract. As in analogous positions in the UN system, there is long tradition for the U.S. holding this job, which has potential oversight of all IAEA programs as well as management policies and budgeting. The Management DDG is the Agency's second-in-command, and Waller is usually the Acting DG when ElBaradei travels outside Vienna. His role has been especially critical in the ongoing debate over budget and resources. The Japanese Mission tells us Japan understands the management DDG to be the "American seat" and that Amano would personally favor keeping a U.S. national in this role. In the latter years of the ElBaradei administration, DDG Waller has not always exercised influence over programmatic areas or staffing as the USG had hoped. On staffing, however, the history of top-floor overrides of the Agency's own recruitment process predates the current leadership. The true final say and veto power on personnel appointments, down to the level of program manager jobs, resides with the DG, but this was true in the Hans Blix era as well. In broader management terms, the Agency has made significant but uneven progress in reform, measured for example against the UNTAI agenda: "little to no" progress on disclosure of internal audits to member states or whistleblower protections; "some" progress on an independent ethics function, implementation of IPSAS, and on program support costs (a running sore with USG); better performance on independence of internal oversight, financial disclosure by senior officials, and public access to information about the agency.

¶6. (C) Safety and Security (NSNS). Incumbent Tomihiro Taniguchi, Japan, informed UNVIE's Nuclear Safety Attache early in 2009 that he was under contract through November 2010 and intended to stay; Taniguchi's DDG colleague Olli Heinonen affirmed to us in late March his understanding that Taniguchi wants to remain perhaps even beyond that date. However, after his election on July 2, DG-designate Amano told Russian IAEA Governor Berdennikov and U.S. Charge that Taniguchi would step down concurrent with Amano's succession to the DG's office, emphasizing that "Japan is a modest country" and would not seek to hold the DG and a DDG slot concurrently. (Note: Taniguchi's early departure would be a

matter of appearances for Japan; there is no legal provision barring a DDG serving under a DG of the same nationality. End note.) Taniguchi has been a weak manager and advocate, particularly with respect to confronting Japan's own safety practices, and he is a particular disappointment to the United States for his unloved-step-child treatment of the Office of Nuclear Security. Moreover, of the twenty-four management positions in the department, the U.S. holds only one, a P-5 position as head of the Incident and Emergency Center. That is, there are no U.S. managers anywhere in the IAEA's safety and security technical areas.

17. (SBU) This DDG position requires a good manager and leader who is technically qualified in both safety and security. The DDG needs to be an activist to institutionalize and insist on broad member state acceptance of nuclear security -- preventing terrorist or criminal diversion of material from civil nuclear facilities -- as a core Agency mission. However, the DDG must also have a strong safety background. The department can and should exercise a direct and substantial impact of the levels of safety and security in all of the Member States. This department is writing draft safety and security legislation and draft regulatory and security guidance documents that are being used by Member States to create their nuclear programs. "NSNS" performs safety and security peer reviews of facilities and provides recommendations for improvements. It also performs an enormous amount of training on all areas of safety and security. As Washington colleagues have pointed out, the new DDG must instill a culture of cooperation with other Agency elements, including Nuclear Energy and Technical Cooperation, in order to improve these services. We are aware of differing views in Washington on the advisability of "elevating" nuclear security, potentially as a separate department (ref D), an idea that Iran now advocates. Our bottom line is that the U.S. should push for technical competencies in both safety and security.

18. (C) Technical Cooperation (TC), Ana Maria Cetto, Mexico. TC is the department most in need of a change in culture and

process. It administers assistance projects as entitlements, in which the proposals of the beneficiary states rather than an independent analysis of development needs and capacities are decisive. Although some of her subordinates are much stronger, Cetto's reputation is as an enabler of TC's "entitlement" approach. Ms. Cetto, the only female DDG at present, may be prepared to depart in 2010. The United States should encourage selection of a manager committed to implement the management structures put in place by Cetto's predecessor, which have become mere formalities under Cetto. Japan knows that China is interested in returning to the ranks of the DDGs, and the Chinese may have a strong candidate for the TC DDG position who is currently serving as TC Director for Asia. If the Chinese secure this position, the new incumbent would likely be male, creating an imperative for the purpose of gender balance to appoint a woman to another of the DDG positions (see also para 17, below).

19. (C) Nuclear Energy (NE), Yury Sokolov, Russia - With the right mix of expert authority, impartiality, and material assistance, this department can play an even greater role in ensuring that wherever nuclear power is developed, it is done so responsibly, safely, securely, with proliferation consciousness and safeguards by design. Agency veterans recall the NE department was established by hiving off nuclear energy from the earlier department of nuclear energy and safety, which was led by a Russian DDG. As reported in ref B (captioned), the Russian Federation will likely be determined to retain this DDG position regardless of Sokolov's personal availability.

10. (C) Nuclear Sciences and Applications (NA), Werner Burkart, Germany - Burkart has indicated he will leave the Agency at the completion of his current contract, which we understand to be November 2010. Burkart is generally viewed as a nice guy and skilled scientist but an unambitious

bureaucratic leader. He advocates rationalizing staff and structures that he finds wasteful. One example -- for technical cooperation (TC) projects in which his department or NE are required to assign project officers, the parallel TC project officers are, like those in NA and NE, typically from a nuclear engineering background, and consequently apt to cut out their redundant counterparts in the technical bureaus. A second example -- the IAEA's laboratory structure, including the safeguards analytical laboratory (SAL), falls organizationally under NA (i.e., for management and personnel policies) as a service to the Safeguards Department, but is paid for with safeguards funds. A transfer of the SAL to the Safeguards Department, which Burkart supports, is underway, based on a recommendation by a Canadian management consultant.

The DG's Outer Office - Perpetuating Team ElBaradei?

¶11. (C) As IAEA Secretariat staff consider the future under a DG Amano, many are musing about "Who runs the agency?" in that circumstance. We reported ref C that a Spring 2009 STAFFDEL visitor heard from Secretariat officials the concern that a Japanese corporate model of management and internal communication could come to the Agency. However, speaking with Charge on July 2, Amano emphasized (unprompted) that it would not be his intention to pack his inner office with Japanese nationals, as "that would send the wrong message." Whatever their presumptions about the changes ahead, several senior IAEA officials have secured their positions in the Agency for a period into the post-ElBaradei era. Among those burrowing in are some of the Mission's most frequent and policy-relevant interlocutors (and ElBaradei's high-level troubleshooters), some of whom have not always been helpful to U.S. positions.

¶12. (C) In early February 2009, Vilmos Cserveny of Hungary, chief of the Office of External Relations and Policy Coordination (EXPO), was promoted to the title of Assistant Director General (ADG) while retaining his function running EXPO. Cserveny shared with DCM that his contract was extended through 2013. The ADG title is considered a "personal promotion" according no enhancement of authority, and it would likely return to disuse after Cserveny's tenure. As background, current DG ElBaradei held the same title while he was EXPO chief 1993-7. While Cserveny is viewed as a partisan of ElBaradei, we know him to be a consummate

bureaucratic survivor who is likely to tack strongly towards Amano in the new structure.

¶13. (C) In late 2008, Cserveny's deputy Tariq Rauf of Canada received a personal promotion, from the P-5 to D-1 level, and contract extension through 2011. As in the case of his boss, Rauf's job duties remain the same. The practice of granting "personal" D ranks to senior P-5 personnel is not uncommon in the Agency. Rauf's title is Head, Verification and Security Policy Coordination within EXPO. Among other duties, he is the coordinator of Secretariat efforts to develop mechanisms for IAEA-administered assurance of nuclear fuel supply to states that may suffer a politically-motivated cutoff, e.g., an international nuclear fuel bank. Despite his usefulness on this particular issue and in routine scheduling and information exchanges, Rauf is not wholly trustworthy and is viewed as close to Russian interests. Also, he has been an unhelpful presence on Iran. Amano is aware of all this, and Rauf will be significantly weakened by the change in DG.

¶14. (C) Among others staying on is the Director of the Office of Legal Affairs, Johan Rautenbach, whose contract in late 2008 was extended through 2011. Cautious to the point of reticence in most settings, Rautenbach generally projects an image of standing apart from the political fray. However, he has been known to render legal opinions in furtherance of his "client's," i.e., ElBaradei's, interest, and involves himself unhelpfully in Agency-internal debates over tactics in the conduct of sensitive safeguards investigations. Rautenbach's Amcit

deputy, safeguards expert Laura Rockwood, is also likely to stay on.

¶15. (SBU) Other key Mission interlocutors will or may move from current roles under a new DG. One significant loss will be that Kwaku Aning of Ghana, who intends to depart the IAEA at the end of 2010. Aning holds the D-2 position as Secretary of the Policy Making Organs (chief interpreters of rules of procedure and the drafters of most chair's or rapporteur's summaries). This is the only D-level position held by a G-77 country. British national Graham Andrew, Special Assistant to the DG for Science and Technology, is under contract through August 2011. He has told Msnoff privately he would like to support the next DG over a transition period and beyond, but would move to other duties in the Agency for the duration of his contract if required. Andrew would need a new contract to stay in the Agency beyond August 2011 to 2013, when he would reach the IAEA retirement age (62). ElBaradei's Chef d'Cabinet, Dutch diplomat Antoine Van Dongen, also has been extended through 2010. Having known ElBaradei since their time together at NYU Law School in the 1970's, Van Dongen is a strong ElBaradei loyalist whose role in an Amano cabinet remains to be determined.

Comment and Recommendation

¶16. (SBU) Mission enjoys an excellent relationship with U.S. DDG Waller and counts him as an asset. He provides insight into Agency operations and is an interpreter and advocate of the Agency to important audiences, for example from the U.S. Congress. Waller has been highly successful in bringing Amcits into positions in his department, though much less so in other departments. In Management the U.S. currently holds two Director positions, one D-1 and one D-2, and five Section Head positions, with a total of 24 Amcits working in the department. The signals from both Waller and DG-designate Amano are that we may rely on Waller remaining in this function for the time being, should Washington so decide.

¶17. (C) The expected departure of DDG Taniguchi requires that we search for a compelling individual to lead the safety and security department in fashioning and institutionalizing (politically and financially) the IAEA role in combating nuclear terrorism and embedding safety culture in the (potentially) fast-growing global nuclear power sector. The safety and security of nuclear facilities and material around the world over the next ten years will be very important to the U.S., involving potential issues of regional security, energy policy, and growth in the commercial nuclear industry at home and globally. It is in our interest to be directly involved in the selection of a next DDG through whom we can increase the complement of U.S. nationals performing these crucial functions. There are rumors that Canadian Ambassador

Marie Gervais-Vidricaire is interested. As she lacks technical experience, this would not be a helpful outcome from the perspective of our subject-matter experts, but the USG could be in an awkward position if confronted with a determined request for support from Ottawa. Also on the Vienna scene there are rumors that France, a country with a heavy technician presence and influence already in the safety and security areas, may move to build upon this predominance.

¶18. (C) With regard to the DDG/Safeguards, Olli Heinonen, Mission recommends that we remain discrete but open to an extension of his tenure should he seek it and similarly discrete in USG-internal brainstorming on potential successors. Relevant to our deliberations on the Safety and Security as well as Safeguards Departments, ref A examined approaches to staffing, reviewed current opportunities for American citizen employment at professional levels across the Agency, and noted some key positions for which U.S. citizens would not be eligible (due to national balance or traditions against staffing from nuclear weapons states) but where U.S. interests require that competent incumbents fulfill those roles.

¶19. (C) In weighing replacements for DDGs Cetto and Burkart, leading Technical Cooperation and Nuclear Applications, respectively, we must try to address the overlap in their two Departments that has created stubborn redundancies and inefficiencies. These have not been resolved despite years of investigations, reports, and recommendations. Both Departments have fierce political defenders in the G-77, preventing serious reform efforts (particularly in the case of TC). Mission recommends we pay vigorous attention to the future leadership of these two Departments, as the only way to fix their management will be from the inside.

PYATT